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June 28, 2018

Via Email and Overnight Delivery

Kevin McDonald, Chief
Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Re: Adventist HealthCare Washington Adventist Hospital
Docket No. No. 13-15-2349

Request For Project Change After Certification

Dear Mr. McDonald:

On behalf of Adventist HealthCare Washington Adventist Hospital, we are hereby submitting a Request for Project Change After Certification. For your convenience, three (3) copies of the Request are being submitted. One full size set of drawings is included with this submission. PDF, Word and Excel copies of this submission are being sent to you as well.

If there are any questions about the attached submission, or if any further discussion is needed, please let me know.

Regards,



Howard L. Sollins

HLS/tjr

Enclosures

cc: Dr. Travis A. Gayles, M.D., Ph.D., Health Officer
Montgomery County
Ben Steffen, Executive Director
Ms. Ruby Potter
Health Facilities Coordination Officer
Robert E. Jepson, Vice President/Business Development
Washington Adventist Hospital
John J. Eller, Esquire

IN THE MATTER OF * BEFORE THE
WASHINGTON ADVENTIST HOSPITAL * MARYLAND HEALTH
Docket No. 13-15-2349 * CARE COMMISSION

* * * * *

REQUEST FOR PROJECT CHANGE AFTER CERTIFICATION

Adventist HealthCare, Inc. (“AHC”) d/b/a Washington Adventist Hospital (“WAH”), by its undersigned counsel, asks the Maryland Health Care Commission (the “Commission”) to approve a project change to the above-captioned certificate of need (“CON”) (the “Request”).

Background

On December 17, 2015, the Commission issued a CON authorizing WAH to construct a replacement hospital in White Oak, Maryland, in Montgomery County (the “Project”). On September 19, 2017, the Commission issued a Modified Certificate of Need further authorizing WAH to construct a Central Utility Plant (“CUP”) and a Parking Garage as part of the Project. Since that time, WAH has continued to make substantial progress in implementing the approved construction plans.

As the Project has progressed, WAH has continued to appropriately evaluate not only the implementation of the approved Project at White Oak, but also the proposed plan for the Takoma Park campus as described in the CON application. This evaluation is necessary given Maryland’s continued focus on optimizing patient outcomes, improving the health of populations and cost containment.

With this project change filing, AHC is seeking approval to relocate 10 of its 39 adult psychiatric beds from Takoma Park to White Oak to be operational when WAH moves in the summer of 2019. Shell space approved for the Project would be utilized for these 10 beds.

Plans in the CON had called for AHC to develop a freestanding specialty psychiatric hospital in Takoma Park following the relocation of WAH to White Oak. However, as explained in this filing, this is no longer a viable alternative and AHC is seeking to preserve important behavioral health services for the community by continuing to link these services with an acute care hospital. This request describes AHC’s overall plan to preserve behavioral health services for the community and why previous plans for the Takoma Park campus are no longer viable.

A separate but concurrent filing requests a determination of exemption from CON review to relocate 29 adult psychiatric beds from Takoma Park to Adventist HealthCare Shady Grove Medical Center (“SGMC”) in Rockville, thus accounting for the balance of the 39 beds that currently operate in Takoma Park, and further sustaining a vital regional health care service.

Sustaining a Vital Health Care Service

This filing is part of an overall effort by AHC to ensure the continued viability of its behavioral health services, a vital part of the region's health care infrastructure. AHC is the largest provider of behavioral health services in Montgomery County and one of the larger providers of these services in Maryland. Adventist Behavioral Health ("ABH") in Rockville was a free standing psychiatric facility operated by AHC where many of the organization's key behavioral health services were provided.

Despite reimbursement challenges with operating a freestanding behavioral health facility, AHC made the intentional decision to preserve behavioral health services for the community and initiated several steps to accomplish this goal.

The initial step was the consolidation of ABH into SGMC, which put the Rockville behavioral health services under a stable, predictable revenue model as part of SGMC's Global Budget Revenue ("GBR"). The request was approved at the May 17, 2018, Commission meeting. The integration between these two entities will be operationally complete this summer.

AHC's other inpatient behavioral health services are currently operated as the psychiatric service at WAH in Takoma Park as part of an AHC hospital's license and its GBR negotiated with the Health Services Cost Review Commission ("HSCRC"). WAH will move to the White Oak campus in the summer of 2019. Phase 3 of the WAH CON project, approved in 2015, included a plan for the WAH acute general hospital inpatient psychiatric beds to remain in Takoma Park as a separately licensed specialty hospital. However, the federal regulations prohibiting reimbursement from the Centers for Medicare and Medicaid Services ("CMS") governing the Federal Medical Assistance Percentage ("FMAP") to an Institution for Mental Diseases ("IMD") with more than 16 beds remains in effect. In addition, a former CMS waiver enabling Maryland's Medicaid program to receive FMAP for IMD services in larger specialty hospitals is no longer in effect. These factors, combined with the challenges of operating ABH as an IMD, caused AHC to reevaluate its plan for operating behavioral health services in Takoma Park. Now, AHC plans to continue operating the 39 Takoma Park adult psychiatric beds in acute care hospitals, with 10 of these beds moving to WAH's new White Oak campus and 29 beds moving to SGMC in Rockville. These behavioral health initiatives accomplish three important goals:

- First, ensure the long-term sustainability of AHC's behavioral health services, which care for more than 6,500 patients annually, by providing a stable, predictable revenue stream through an acute care hospital's GBR, while avoiding a \$2 million annual negative impact on the Maryland Medicaid budget.
- Second, these initiatives ensure continued access to acute behavioral health services for residents of the WAH service area with the transition of psychiatric beds to the White Oak campus.
- Third, the relocation of 29 Beds from WAH to SGMC enhances the clinical specialization of the AHC regional behavioral health services in Rockville, which benefits patients who have access to more specialized care.

A Change to the Takoma Park Campus Is Necessary

In its current iteration, with the WAH CON unchanged, the Project would result in AHC having three campuses with inpatient services in Rockville, Takoma Park and White Oak. AHC has determined that its inpatient services should be concentrated at its two acute care hospital campus locations in Rockville and White Oak. Maintaining Takoma Park as an inpatient campus with limited specialty hospital services is not the best approach from a continuity of care, operational and cost-efficiency perspective. Furthermore, preserving critically important health care services, such as behavioral health, requires enhancing clinical outcomes and cost efficiencies consistent with the goals of Maryland's GBR model.

The Commission's 2015 decision to approve the relocation of WAH to White Oak, in Docket No. 13-15-2349, anticipated there would be an ongoing evaluation of the establishment of a freestanding special hospital-psychiatric in Takoma Park. On pages 68 and 70, the Decision states:

“Clearly, there is a risk that Medicaid reimbursement policy could change if federal policy with respect to the IMD (Institutions for Mental Disease) exclusion does not change and, if there are significant reductions in Medicaid reimbursement for freestanding psychiatric hospitals of the size of the Takoma Park special psychiatric hospital, a rethinking of how to provide acute psychiatric hospital care on a viable basis will be required.”

* * *

“I recognize that one of the risks presented by this project is the permanent loss of Maryland's IMD Exclusion waiver. This makes the long-term viability of the psychiatric facility at Takoma Park more tenuous and the benefit of lower upfront capital cost that drove this part of AHC's plan more questionable. As I have considered my recommendation on this application, DHMH is again pursuing an IMD Exclusion Waiver and, for now at least, the Maryland Medicaid program is continuing to provide funding at previous levels. I think it likely that, by the time the replacement hospital will go into operation at White Oak, a rational solution to this funding issue will be in place. Under a worst case scenario, AHC would have to reassess its ability to continue to viably serve all acute psychiatric patients in need of service and this reassessment would undoubtedly focus on bringing psychiatric beds back within the general hospital setting.”

Elements of the CON Project Change Request

Through this project change request, WAH seeks approval to move 10 adult psychiatric beds from Takoma Park into the relocated hospital in White Oak. With WAH under construction, now is the most cost-effective time to plan for the relocation of acute psychiatric services to White Oak and the unit would be complete in time for the hospital's projected opening in the summer of 2019. The service would include a voluntary, inpatient unit with 10 private patient rooms; treatment rooms; a day room; and other amenities to care for patients

admitted with general psychiatric conditions. The Intensive Outpatient (“IOP”) and Partial Hospitalization Program (“PHP”) currently in Takoma Park would move to White Oak as well. The 10 adult psychiatric beds, plus the IOP and PHP service, preserve access to behavioral health services for patients in WAH’s service area and ensure the services will be viable as part of the hospital’s GBR agreement. The beds would occupy 11,585 square feet of space on 5th floor of the hospital’s south tower in an area previously approved as shell space. The needed space can be renovated in a cost-effective manner, and already-planned support services, utility and parking can accommodate the use without other changes. Moreover, the additional renovation of the approved shell space can be accomplished within the current Phase 2 under the applicable CON performance requirement.

Involuntary behavioral health patients would be admitted to SGMC which has more resources and space to handle these often challenging patients. It should be noted that AHC is affirmatively maintaining its role as the only provider in Montgomery County that accepts involuntary psychiatric admissions.

The capital cost for renovating the shell space is approximately \$3.3 million and the source of this funding comes from the \$5.2 million in capital approved as part of what was to be Phase 3 of the WAH CON, the renovation of space for behavioral health services in Takoma Park. Since AHC will implement its urgent care center in Takoma Park there will be a need to maintain, but amend, Phase 3 of the Project which follows the opening of WAH in White Oak. AHC will fulfill the condition attached to the CON to establish an urgent care center in Takoma Park and the organization is actively evaluating space on the campus where the center will be maintained.

Financial Overview

The total patient days in calendar year 2017 at the current 39-bed adult psychiatric unit in Takoma Park was 7,557 days including 4,413 from voluntary patients and 3,144 from involuntary patients. The plan is to redirect all of the involuntary patients to SGMC. With the remaining voluntary patient days, we project 2,920 days will be relocated to White Oak which will create an 80% occupancy rate. Exhibit 1, Table I provides the statistics for the unit.

Tables J and K (Exhibit 1) provide uninflated and inflated projection of revenue and expenses for the adult psychiatric unit in White Oak for 2019 through 2021. Annual wages to operate this unit are estimated at \$2.78 million for 24.2 full time equivalent (FTE) employees. The staffing associated with the psychiatric services anticipated to be relocated from Takoma Park to White Oak, noted in the table below, includes the inpatient unit staffing for an ADC of eight patients and the staffing for related outpatient services.

Job	Total FTEs
RN II	10.6
Psych Tech	4.8
USC/Receptionist	1.6
LCSW	1.6
Activities Therapist	3
Case Manager	1.6
Nurse Manager	1
	24.2

Table E (Exhibit 1) outlines the capital costs for the behavioral health renovation at White Oak which is \$3,274,553, depreciated over 20 years. The plan is to redirect the \$5.2 million phase 3 capital costs for a behavioral health unit renovation as outlined in the 2015 CON application to the proposed unit in White Oak. There is no incremental interest cost.

The attached Exhibit 2 shows the projected net operating revenue, total operating expenses and net income for WAH from 2019 through 2021 as prepared for the project change after certification request in September 2017, along with the impact of revenue and expenses from the adult psychiatric unit in White Oak. The top part of Exhibit 2 shows the most recent net income projection for the relocation project. The bottom part shows the projected net income inclusive of the adult psychiatric unit in White Oak, from 2019, the first year the hospital will operate in White Oak, through 2021. The adult psychiatric unit operating revenue accounts for less than 2% of WAH's total operating revenue. Note that the adult psychiatric unit also contributes positive net income each year to the hospital¹.

Finally, the attached Exhibit 3 shows the difference between leaving the behavioral health programs in Takoma Park ("scenario 2" in the exhibit) and the transfer of adult psychiatric beds between WAH and SGMC. The financial drain of operating a freestanding behavioral health facility in Takoma Park is not a viable way to continue operating this service.

Marshall Valuation Service ("MVS") Analysis for the Psychiatric Unit

WAH conducted an MVS analysis for these new project elements to determine the reasonableness of construction costs. The MVS analysis for the psychiatric service was aggregated into the overall hospital calculation since the service will become a part of the replacement hospital. Exhibit 4 shows the MVS calculation for the hospital, inclusive of the behavioral health services. The first column of the chart in Exhibit 4 shows the final MVS calculation for the approved hospital CON relocation projected as conducted by the Reviewer in

¹ The psychiatric services within WAH received a Global Budget amount of \$11.3 million in CY 2017. Of this amount \$1.2 million is related to outpatient services and \$10.1 million is related to inpatient services. As the outpatient services are expected to relocate when WAH moves to White Oak, 100% of this amount is expected to be included in the WAH global budget. The recommended relocation of the psychiatric beds to White Oak and Rockville will result in the inpatient global revenue of \$10.1 million to be split between WAH and SGMC based on the expected patient utilization. This breakdown is expected to be \$3.9 million to WAH and \$6.2 million to SGMC in 2017 dollars.

her final decision. The following columns adjust the Reviewer's MVS calculation based upon actual costs associated with project change approvals, inclusive of this request to build out existing shell space. WAH's analysis shows the overall project costs to be lower than the MVS benchmark.

Exhibit 5 highlights the Extraordinary Above-MVS costs permitted as part of the calculation for the CUP. Exhibit 6 includes the drawings for the new project elements.

THE PROPOSED PROJECT CHANGES ARE APPROVABLE

Though all project changes require notification to the Commission, the following types of changes to a project require formal Commission approval (§.17B):

1. Before making a significant change in physical plant design;
2. Before incurring capital cost increases that exceed the approved capital cost inflated by an amount determined by applying the Building Cost Index published in Health Care Cost Review from the application submission date to the date of the filing of a request for approval of a project change;
3. When total projected operating expenses or revenue increases exceed the projected expenses or revenues in the approved Certificate of Need Application, inflated by 10 percent per year;
4. Before changing the financial mechanisms of the project;
5. Before changing the location or address of the project.

With respect to §.17B(1), the renovation of already-approved shell space of a similar nature to the other clinical floors approved for the building is not, we believe, a "significant change" in the physical plant design of the Hospital in White Oak.

With respect to §.17B(2), capital costs will not increase beyond allowable levels.

Since WAH operating revenues and expenses will not increase above those projected in the approved CON inflated by 10 percent per year, §.17B(3) is not applicable. (*See Exhibit 2*).

Regarding §17B(4), the financing mechanisms for the project identified in the CON application have not changed, and, therefore this regulation is not applicable.

The location or address of the approved WAH project will not change, and psychiatric services are already being provided on the SGMC campus. Hence §.17B(5) is not applicable.

CONCLUSION

For all of these reasons, WAH respectfully requests that the Commission approve the proposed changes described above. We would appreciate approval as soon as possible to ensure we are able to remain on schedule for the overall project. Thank you for your consideration.

Respectfully submitted,



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EXHIBIT LIST

1. Tables
2. Behavioral Health Impact
3. Behavioral Health Scenarios
4. Marshall Valuation Service
5. MVS Extraordinary Costs
6. Drawings
7. Affirmations

EXHIBIT 1

TABLE A. PHYSICAL BED CAPACITY BEFORE AND AFTER PROJECT

INSTRUCTIONS: Identify the location of each nursing unit (add or delete rows if necessary) and specify the room and bed count before and after the project in accordance with the definition of physical capacity noted below. Applicants should add columns and recalculate formulas to address rooms with 3 and 4 bed capacity. **NOTE:** Physical capacity is the total number of beds that could be physically set up in space without significant renovations. This should be the maximum operating capacity under normal, non-emergency circumstances and is a physical count of bed capacity, rather than a measure of staffing capacity. A room with two headwalls and two sets of gasses should be counted as having capacity for two beds, even if it is typically set up and operated with only one bed. A room with one headwall and one set of gasses is counted as a private room, even if it is large enough from a square footage perspective to be used as a semi-private room, since renovation/construction would be required to convert it to semi-private use. If the hospital operates patient rooms that contain no headwalls or a single headwall, but are normally used to accommodate one or more than one patient (e.g., for psychiatric patients), the physical capacity of such rooms should be counted as they are currently used.

Before the Project							After Project Completion						
Hospital Service	Location (Floor/ Wing)*	Licensed Beds: 7/1/201_	Based on Physical Capacity				Hospital Service	Location (Floor/ Wing)*	Based on Physical Capacity				
			Room Count			Bed Count			Room Count			Bed Count	
			Private	Semi-Private	Total Rooms	Physical Capacity			Private	Semi- Private	Total Rooms	Physical Capacity	
ACUTE CARE							ACUTE CARE						
General Medical/ Surgical*	Level 3		32		32	32	General Medical/ Surgical*	Level 3	32		32	32	
	Level 4		4		4	4		Level 4	4		4	4	
	Level 5		32		32	32		Level 5	32		32	32	
	Level 6		32		32	32		Level 6	32		32	32	
	Level 7		24		24	24		Level 7	24		24	24	
SUBTOTAL Gen. Med/Surg*			124		124	124	SUBTOTAL Gen. Med/Surg*		124		124	124	
ICU/CCU	Level 2 ICU		28		28	28	ICU/CCU	Level 2 ICU	28		28	28	
Other (Specify/add rows as needed)					0	0					0	0	
TOTAL MSGA			152		152	152	TOTAL MSGA		152		152	152	
Obstetrics	Level 4		18		18	18	Obstetrics	Level 4	18		18	18	
Pediatrics					0	0	Pediatrics				0	0	
Psychiatric					0	0	Psychiatric	Level 5	10		10	10	
TOTAL ACUTE			170	0	170	170	TOTAL ACUTE		180	0	180	180	
NON-ACUTE CARE							NON-ACUTE CARE						
Dedicated Observation**	Level 7		8		8	8	Dedicated Observation**	Level 7	8		8	8	
Dedicated Observation**	1st/ED		12		12	12	Dedicated Observation**	1st/ED	12		12	12	
Rehabilitation					0	0	Rehabilitation				0	0	
Comprehensive Care					0	0	Comprehensive Care				0	0	
Other (Specify/add rows as needed)					0	0	Other (Specify/add rows as needed)				0	0	
TOTAL NON-ACUTE			20		20	20	TOTAL NON-ACUTE		20		20	20	
HOSPITAL TOTAL			190	0	190	190	HOSPITAL TOTAL		200	0	200	200	

* Include beds dedicated to gynecology and addictions, if unit(s) is separate for acute psychiatric unit

** Include services included in the reporting of the "Observation Center". Service furnished by the hospital on the hospital's promise, including use of a bed and periodic monitoring by the hospital's nursing or other staff, which are reasonable and necessary to determine the need for a possible admission to the hospital as an inpatient; Must be ordered and documented in writing, given by a medical practitioner.

TABLE B. DEPARTMENTAL GROSS SQUARE FEET AFFECTED BY PROPOSED PROJECT

INSTRUCTION: Add or delete rows if necessary. See additional instruction in the column to the right of the table.

DEPARTMENT/FUNCTIONAL AREA	DEPARTMENTAL GROSS SQUARE FEET				
	Current	To be Added Thru New Construction	To Be Renovated	To Remain As Is	Total After Project Completion
Unfinished shell space on 5th South	10,472	0	entirety	0	0
Acute Adult Behavioral Health Inpatient Unit	0	0	8,707	0	8,707
Partial Hospitalization IOP Program	0	0	1,344	0	1,344
Partial Hosp IOP Multi-Purpose Room	0	0	579	0	579
Corridor 5400	1,113		entirety	0	0
New Circulation/Corridor	0		955	0	955
Total	11,585				11,585

TABLE C. CONSTRUCTION CHARACTERISTICS

INSTRUCTION: If project includes non-hospital space structures (e.g., parking garages, medical office buildings, or energy plants), complete an additional Table C for each structure.

	NEW CONSTRUCTION	RENOVATION
BASE BUILDING CHARACTERISTICS	Check if applicable	
Class of Construction (for renovations the class of the building being renovated)*		
Class A	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Class B	<input type="checkbox"/>	<input type="checkbox"/>
Class C	<input type="checkbox"/>	<input type="checkbox"/>
Class D	<input type="checkbox"/>	<input type="checkbox"/>
Type of Construction/Renovation*		
Low	<input type="checkbox"/>	<input type="checkbox"/>
Average	<input type="checkbox"/>	<input type="checkbox"/>
Good	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Excellent	<input type="checkbox"/>	<input type="checkbox"/>
Number of Stories		

*As defined by Marshall Valuation Service

PROJECT SPACE	List Number of Feet, if applicable	
Total Square Footage	Total Square Feet	
Basement	0	0
First Floor	0	0
Second Floor	0	0
Third Floor	0	0
Fourth Floor	0	0
Fifth Floor	0	11,585
Average Square Feet		
Perimeter in Linear Feet	Linear Feet	
Basement	0	0
First Floor	0	0
Second Floor	0	0
Third Floor	0	0
Fourth Floor	0	0
Fifth Floor	0	existing--no change
Total Linear Feet		
Average Linear Feet		
Wall Height (floor to eaves)	Feet	
Basement		
First Floor		
Second Floor		
Third Floor		
Fourth Floor		
Fifth Floor	0	existing--no change
Average Wall Height		
OTHER COMPONENTS		
Elevators	List Number	
Passenger		existing--no change
Freight		existing--no change
Sprinklers	Square Feet Covered	
Wet System		11,585
Dry System		0
Other	Describe Type	
Type of HVAC System for proposed project		
Type of Exterior Walls for proposed project	existing--no change	

TABLE D. ONSITE AND OFFSITE COSTS INCLUDED AND EXCLUDED IN MARSHALL VALUATION COSTS

INSTRUCTION : If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table D for each structure.

	NEW CONSTRUCTION COSTS	RENOVATION COSTS
SITE PREPARATION COSTS		
Normal Site Preparation	\$0	\$0
Utilities from Structure to Lot Line	\$0	\$0
Subtotal included in Marshall Valuation Costs	existing - no change	existing - no change
Site Demolition Costs	\$0	\$0
Storm Drains	\$0	\$0
Rough Grading	\$0	\$0
Hillside Foundation	\$0	\$0
Paving	\$0	\$0
Exterior Signs	\$0	\$0
Landscaping	\$0	\$0
Walls	\$0	\$0
Yard Lighting	\$0	\$0
Other (Specify/add rows if needed)		
Subtotal On-Site excluded from Marshall Valuation Costs	existing - no change	existing - no change
OFFSITE COSTS		
Roads	\$0	\$0
Utilities	\$0	\$0
Jurisdictional Hook-up Fees	\$0	\$0
Other (Specify/add rows if needed)		
Subtotal Off-Site excluded from Marshall Valuation Costs	existing - no change	existing - no change
TOTAL Estimated On-Site and Off-Site Costs <u>not</u> included in Marshall Valuation Costs	\$0	\$0
TOTAL Site and Off-Site Costs included and excluded from Marshall Valuation Service*	\$0	\$0

*The combined total site and offsite cost included and excluded from Marshall Valuation Service should typically equal the estimated site preparation cost reported in Application Part II, Project Budget (see Table E. Project Budget). If these numbers are not equal, please reconcile the numbers in an explanation in an attachment to the application.

TABLE E. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application.

NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.d as a use of funds and on line B.8 as a source of funds

	Hospital Building	Other Structure	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building			\$0
(2) Fixed Equipment			\$0
(3) Site and Infrastructure			\$0
(4) Architect/Engineering Fees			\$0
(5) Permits (Building, Utilities, Etc.)			\$0
SUBTOTAL	\$0	\$0	\$0
b. Renovations			
(1) Building	\$2,018,637		\$2,018,637
(2) Fixed Equipment (not included in construction)			\$0
(3) Architect/Engineering Fees	\$252,330		\$252,330
(4) Permits (Building, Utilities, Etc.)	\$88,820		\$88,820
SUBTOTAL	\$2,359,787	\$0	\$2,359,787
c. Other Capital Costs			
(1) Movable Equipment	\$574,500		\$574,500
(2) Contingency Allowance	\$183,317		\$183,317
(3) Gross interest during construction period			\$0
(4) Other (Specify/add rows if needed)	\$121,000		\$121,000
SUBTOTAL	\$878,817	\$0	\$878,817
TOTAL CURRENT CAPITAL COSTS	\$3,238,604	\$0	\$3,238,604
d. Land Purchase			
e. Inflation Allowance	\$35,949		\$35,949
TOTAL CAPITAL COSTS	\$3,274,553	\$0	\$3,274,553
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees			\$0
b. Bond Discount			\$0
c. CON Application Assistance			
c1. Legal Fees			\$0
c2. Other (Specify/add rows if needed)			
d. Non-CON Consulting Fees			
d1. Legal Fees			\$0
d2. Other (Specify/add rows if needed)			\$0
e. Debt Service Reserve Fund			\$0
f. Other (Specify/add rows if needed)			\$0
SUBTOTAL	\$0	\$0	\$0
3. Working Capital Startup Costs			\$0
TOTAL USES OF FUNDS	\$3,274,553	\$0	\$3,274,553
B. Sources of Funds			
1. Cash			\$0
2. Philanthropy (to date and expected)			\$0
3. Authorized Bonds			\$0
4. Interest Income from bond proceeds listed in #3			\$0
5. Mortgage			\$0
6. Working Capital Loans			\$0
7. Grants or Appropriations			
a. Federal			\$0
b. State			\$0
c. Local			\$0
8. Other (Approved Funding for Phase III of Project)	\$3,274,553		\$3,274,553
TOTAL SOURCES OF FUNDS			\$0
	Hospital Building	Other Structure	Total
Annual Lease Costs (if applicable)			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0
5. Other (Specify/add rows if needed)			\$0

* Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.

New 10 Bed BH Unit in WAH White Oak - Stat

TABLE I. STATISTICAL PROJECTIONS - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.

	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables J and K.		
Indicate CY or FY	CY 2019 Half Year	CY 2020	CY 2021
1. DISCHARGES			
a. General Medical/Surgical*			
b. ICU/CCU			
Total MSGA	0	0	0
c. Pediatric			
d. Obstetric			
e. Acute Psychiatric	313	625	625
Total Acute	313	625	625
f. Rehabilitation			
g. Comprehensive Care			
h. Other (Specify/add rows of needed)			
TOTAL DISCHARGES	313	625	625
2. PATIENT DAYS			
a. General Medical/Surgical*			
b. ICU/CCU			
Total MSGA	0	0	0
c. Pediatric			
d. Obstetric			
e. Acute Psychiatric	1,460	2,920	2,920
Total Acute	1,460	2,920	2,920
f. Rehabilitation			
g. Comprehensive Care			
h. Other (Specify/add rows of needed)			
TOTAL PATIENT DAYS	1,460	2,920	2,920
3. AVERAGE LENGTH OF STAY			
a. General Medical/Surgical*			
b. ICU/CCU			
Total MSGA			
c. Pediatric			
d. Obstetric			
e. Acute Psychiatric	4.67	4.67	4.67
Total Acute	4.67	4.67	4.67
f. Rehabilitation			
g. Comprehensive Care			
h. Other (Specify/add rows of needed)			
TOTAL AVERAGE LENGTH OF STAY	4.67	4.67	4.67
4. NUMBER OF LICENSED BEDS			
a. General Medical/Surgical*			
b. ICU/CCU			
Total MSGA	0	0	0
c. Pediatric			
d. Obstetric			
e. Acute Psychiatric	10	10	10
Total Acute	10	10	10

New 10 Bed BH Unit in WAH White Oak - Stat

TABLE I. STATISTICAL PROJECTIONS - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.

	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables J and K.		
Indicate CY or FY	CY 2019 Half Year	CY 2020	CY 2021
f. Rehabilitation			
g. Comprehensive Care			
h. Other (Specify/add rows of needed)			
TOTAL LICENSED BEDS			
<i>reflect 366 days per year.</i>			
a. General Medical/Surgical*			
b. ICU/CCU			
Total MSGA			
c. Pediatric			
d. Obstetric			
e. Acute Psychiatric	80.7%	80.0%	80.0%
Total Acute	80.7%	80.0%	80.0%
f. Rehabilitation			
g. Comprehensive Care			
h. Other (Specify/add rows of needed)			
TOTAL OCCUPANCY %			
6. OUTPATIENT VISITS			
a. Emergency Department			
b. Same-day Surgery			
c. Laboratory			
d. Imaging			
e. Other - Psychiatric Patients	136	272	272
TOTAL OUTPATIENT VISITS	136	272	272
7. OBSERVATIONS**			
a. Number of Patients			
b. Hours			

*Include beds dedicated to gynecology and addictions, if separate for acute psychiatric unit.

** Services included in the reporting of the "Observation Center", direct expenses incurred in providing bedside care to observation patients; furnished by the hospital on the hospital's premises, including use of a bed and periodic monitoring by the hospital's nursing or other staff, in order to determine the need for a possible admission to the hospitals as an inpatient. Such services must be ordered and documented in writing, given by a medical practitioner; may or may not be provided in a distinct area of the hospital.

New 10 Bed BH Unit in WAH White Oak - Uninflated

TABLE J. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table J should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table I and with the costs of Manpower listed in Table L. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.		
Indicate CY or FY	CY 2019 Half Year	CY 2020	CY 2021
1. REVENUE			
a. Inpatient Services	\$ 2,039,611	\$ 4,079,222	\$ 4,079,222
b. Outpatient Services	617,994	\$ 1,235,987	\$ 1,235,987
Gross Patient Service Revenues	\$ 2,657,605	\$ 5,315,209	\$ 5,315,209
c. Allowance For Bad Debt	\$ 188,620	\$ 377,239	\$ 377,239
d. Contractual Allowance	188,065	\$ 376,130	\$ 376,130
e. Charity Care	86,339	\$ 172,677	\$ 172,677
Net Patient Services Revenue	\$ 2,194,581	\$ 4,389,162	\$ 4,389,162
f. Other Operating Revenues (Specify)	\$ -	\$ -	\$ -
NET OPERATING REVENUE	\$ 2,194,581	\$ 4,389,162	\$ 4,389,162
2. EXPENSES			
a. Salaries & Wages (including benefits)	\$ 1,390,393	\$ 2,780,787	\$ 2,780,787
b. Contractual Services	181,442	362,884	362,884
c. Interest on Current Debt		-	-
d. Interest on Project Debt		-	-
e. Current Depreciation		-	-
f. Project Depreciation	163,728	327,455	327,455
g. Current Amortization		-	-
h. Project Amortization		-	-
i. Supplies	178,209	356,418	356,418
j. Other	35,320	70,640	70,640
TOTAL OPERATING EXPENSES	\$ 1,949,092	\$ 3,898,184	\$ 3,898,184
3. INCOME			
a. Income From Operation	\$ 245,489	\$ 490,979	\$ 490,979
b. Non-Operating Income			
SUBTOTAL	\$ 245,489	\$ 490,979	\$ 490,979
c. Income Taxes			
NET INCOME (LOSS)	\$ 245,489	\$ 490,979	\$ 490,979
4. PATIENT MIX			
a. Percent of Total Revenue			
1) Medicare	26.0%	26.0%	26.0%
2) Medicaid	50.0%	50.0%	50.0%
3) Blue Cross	7.0%	7.0%	7.0%
4) Commercial Insurance	3.0%	3.0%	3.0%
5) HMO	8.0%	8.0%	8.0%
6) Self-pay	6.0%	6.0%	6.0%
7) Other	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%
b. Percent of Equivalent Inpatient Days			
Total MSGA			
1) Medicare	23.3%	23.3%	23.3%
2) Medicaid	50.0%	50.0%	50.0%
3) Blue Cross	7.4%	7.4%	7.4%
4) Commercial Insurance	11.6%	11.6%	11.6%

New 10 Bed BH Unit in WAH White Oak - Uninflated

TABLE J. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table J should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table I and with the costs of Manpower listed in Table L. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.		
Indicate CY or FY	CY 2019 Half Year	CY 2020	CY 2021
5) HMO	5.5%	5.5%	5.5%
6) Self-pay	2.0%	2.0%	2.0%
7) Other		0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%

New 10 Bed BH Unit in WAH White Oak - Inflated

TABLE K. REVENUES & EXPENSES, INFLATED - NEW FACILITY OR SERVICE

***INSTRUCTION:** After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table K should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table I. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.*

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.		
Indicate CY or FY	CY 2019 Half Year	CY 2020	CY 2021
1. REVENUE			
a. Inpatient Services	\$ 2,039,611	\$ 4,166,378	\$ 4,262,205
b. Outpatient Services	617,994	1,264,415	1,293,496
Gross Patient Service Revenues	\$ 2,657,605	\$ 5,430,793	\$ 5,555,701
c. Allowance For Bad Debt	\$ 188,620	\$ 385,299	\$ 394,161
d. Contractual Allowance	188,065	384,334	393,173
e. Charity Care	86,339	176,477	180,536
Net Patient Services Revenue	\$ 2,194,581	\$ 4,484,683	\$ 4,587,831
f. Other Operating Revenues (Specify)	\$ -	\$ -	\$ -
NET OPERATING REVENUE	\$ 2,194,581	\$ 4,484,683	\$ 4,587,831
2. EXPENSES			
a. Salaries & Wages (including benefits)	\$ 1,390,393	\$ 2,822,499	\$ 2,864,836
b. Contractual Services	181,442	362,884	362,884
c. Interest on Current Debt			
d. Interest on Project Debt			
e. Current Depreciation			
f. Project Depreciation	163,728	163,728	163,728
g. Current Amortization			
h. Project Amortization			
i. Supplies	178,209	356,418	356,418
j. Other	35,320	70,640	70,640
TOTAL OPERATING EXPENSES	\$ 1,949,092	\$ 3,776,168	\$ 3,818,505
3. INCOME			
a. Income From Operation	\$ 245,489	\$ 708,515	\$ 769,325
b. Non-Operating Income			
SUBTOTAL	\$ 245,489	\$ 708,515	\$ 769,325
c. Income Taxes			
NET INCOME (LOSS)	\$ 245,489	\$ 708,515	\$ 769,325
4. PATIENT MIX			
a. Percent of Total Revenue			
1) Medicare	26.0%	26.0%	26.0%
2) Medicaid	50.0%	50.0%	50.0%
3) Blue Cross	7.0%	7.0%	7.0%
4) Commercial Insurance	3.0%	3.0%	3.0%
5) HMO	8.0%	8.0%	8.0%
6) Self-pay	6.0%	6.0%	6.0%
7) Other	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%
b. Percent of Equivalent Inpatient Days			
Total MSGA			
1) Medicare	23.3%	23.3%	23.3%
2) Medicaid	50.0%	50.0%	50.0%
3) Blue Cross	7.4%	7.4%	7.4%
4) Commercial Insurance	11.6%	11.6%	11.6%
5) HMO	5.5%	5.5%	5.5%
6) Self-pay	2.0%	2.0%	2.0%
7) Other	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%

EXHIBIT 2

Washington Adventist Hospital
Projected Net Operating Revenue, Total Operating Expenses and Net Income
2019-2021

in thousands	The Entire Facility (CON Oct 2015 with Modification to add CUP and Garage Sept 2017)		
Calendar Year	2019 Full Year	2020	2021
Net Operating Revenue	\$ 250,273	\$ 257,353	\$ 264,927
Total Operating Expenses	\$ 249,198	\$ 256,142	\$ 263,060
Net Income (Loss)	\$ 1,074	\$ 1,212	\$ 1,867

in thousands	Impact from Psych Unit Addition		
Calendar Year	2019 Half Year	2020	2021
Net Operating Revenue	\$ 2,195	\$ 4,485	\$ 4,588
<i>% of Total Facility Revenue</i>	<i>0.9%</i>	<i>1.7%</i>	<i>1.7%</i>
Total Operating Expenses	\$ 1,949	\$ 3,776	\$ 3,819
Net Impact	\$ 245	\$ 709	\$ 769
Net Income After BH Unit	\$ 1,320	\$ 1,920	\$ 2,636

EXHIBIT 3

Summary Comparison of WAH's Behavioral Health Services Scenarios

CY 2019-2021 Projection Inflated

CY 2019 Half Year						
	Scenario 1 - Split			Scenario 2 - TP	Difference	
	WAH	SG	Combined	TP		
	10	29	39	39	0	
# of Beds	10	29	39	39	0	
Net Operating Revenue	\$ 2,194,581	\$ 2,635,390	\$ 4,829,971	\$ 4,780,225	\$ 49,746	
Total Operating Expenses	\$ 1,949,092	\$ 2,191,279	\$ 4,140,371	\$ 6,705,167	\$ (2,564,796)	
Net Income (Loss)	\$ 245,489	\$ 444,110	\$ 689,599	\$ (1,924,942)	\$ 2,614,542	

CY 2020						
	Scenario 1 - Split			Scenario 2 - TP	Difference	
	WAH	SG	Combined	TP		
	10	29	39	39	0	
# of Beds	10	29	39	39	0	
Net Operating Revenue	\$ 4,484,683	\$ 5,392,007	\$ 9,876,690	\$ 9,729,670	\$ 147,021	
Total Operating Expenses	\$ 3,776,168	\$ 4,451,212	\$ 8,227,380	\$ 13,608,617	\$ (5,381,237)	
Net Income (Loss)	\$ 708,515	\$ 940,795	\$ 1,649,310	\$ (3,878,947)	\$ 5,528,258	

CY 2021						
	Scenario 1 - Split			Scenario 2 - TP	Difference	
	WAH	SG	Combined	TP		
	10	29	39	39	0	
# of Beds	10	29	39	39	0	
Net Operating Revenue	\$ 4,587,831	\$ 5,516,024	\$ 10,103,854	\$ 9,901,885	\$ 201,969	
Total Operating Expenses	\$ 3,818,505	\$ 4,521,056	\$ 8,339,561	\$ 13,810,961	\$ (5,471,400)	
Net Income (Loss)	\$ 769,325	\$ 994,968	\$ 1,764,293	\$ (3,909,076)	\$ 5,673,369	

EXHIBIT 4

Exhibit 4

2018 05 24 RO

**Washington Adventist Hospital Replacement Project Construction Costs Compared to
Marshall Valuation Service Benchmark -
WASHINGTON ADVENTIST REPLACEMENT HOSPITAL**

A	B	C	D	E	F	G	H
MVS Adjusted for Final Design Area, Actual Capitalized Interest, and Addition of CUP Costs	MVS as per MHCC REVIEW	FINAL DESIGN & CAP INTEREST	ADD CENTRAL PLANT per MHCC REVIEW	FINAL DESIGN & CENTRAL PLANT (Note 5)	ADJUSTED MVS (B + E)	ABH 5th Shell Fitout	ADJUSTED MVS (F + G)
Project Budget Item	Cost	Adjust	Adjust	Adjust	Cost	Adjust	Cost
Building	\$ 135,200,000	\$ -	\$ 26,750,000	\$ 25,300,000	\$ 160,500,000	\$ 2,140,000	\$ 162,640,000
Fixed Equipment	Incl above		Incl above		Incl above	Incl above	Incl above
Site Preparation	\$ 10,400,000		\$ 1,380,000	\$ 1,382,000	\$ 11,782,000	\$ -	\$ 11,782,000
Architectural, Engineering & Consultant Fees	\$ 13,200,000		\$ 1,675,000		\$ 14,875,000	\$ 252,330	\$ 15,127,330
Permits	\$ 700,000		\$ 110,000	\$ 280,000	\$ 980,000	\$ 48,500	\$ 1,028,500
Capitalized Construction Interest (Notes 1, 2 and 6)	\$ 28,248,645	\$ 21,051,531	\$ 1,614,744		\$ 22,666,275		\$ 22,666,275
Total	\$ 187,748,645				\$ 210,803,275		\$ 213,244,105
Adjustments (Note 3)	\$ 19,450,000		\$ 6,117,200		\$ 25,567,200	\$ -	\$ 25,567,200
Adjusted Total for MVS Comparison	\$ 168,198,645				\$ 185,236,075		\$ 187,676,905
Building Square Footage (Note 4)	427,662	28,765	16,520		472,947		472,947
Adjusted Project Cost Per Square Foot	\$ 393.53				\$ 391.66		\$ 396.82
MVS Benchmark Cost Per Square Foot	\$ 398.51				\$ 398.51		\$ 398.51
Total Over (Under) MVS Benchmark	\$ (4.98)				\$ (6.85)		\$ (1.69)

Note 1: CON application estimated Capitalized Interest to be \$45M. MHCC calc'd \$28M out of \$45M Capitalized Interest (56.8%) attributable to Project + same proportion of \$4.5M Placement Fee. Actual capitalized interest at bond issue was \$34M + \$2.8M Placement Fee. Applying MHCC apportionment to actual transaction costs results in \$21M for original project capitalized interest and placement fee, plus the entire **actual** CUP financing costs of \$2.03M. This incorporates the **actual** finance costs of \$21M in lieu of the \$28M **estimate**. **(No Change)**

Note 2: Total for **actual** CUP Capitalized Interest and Placement Fee is \$2,028,572.49. Extraordinary Items are \$6.1M of the \$29.9M Project Costs, or 20.4%. Capitalized Interest and Placement Fee have been reduced proportionately for the Capitalized Interest attributable to the Extraordinary Items. \$2,028,572.49 less \$413,828.79 (20.4%) = \$1,614,743.70. **(No Change)**

Note 3: See attached table for Extraordinary Items deducted from CUP budget. For the 5th floor Fitout, **no additional** Extraordinary items identified.

Note 4: CON application estimated building area at 427,662 SF prior to Schematic Design. Design Development refinements added 28,765 SF. The Central Utility Plant adds 16,520 SF for a current total of 472,947 SF. See AHC "Notification of Change" to MHCC, dated June 15, 2017, for details. MHCC replied via letter, dated June 23, 2017, confirming permissibility of space. The 5th floor shell Fitout of 11,585 SF is within the total 472,947 SF of the Hospital & CUP.

Note 5: Incorporated the Final CUP Design and Costs.

Note 6: The 5th floor Fitout of 11,585 SF Shell will not be financed and will be funded with available AHC capital/cash. For this calculation the building cost includes an allotted portion of the contingency.

EXHIBIT 5

EXTRAORDINARY ABOVE-MVS COSTS

Washington Adventist Hospital Replacement Project - Central Plant, No Change for ABH 5th floor Fitout

Project Budget Item	Cost	Explanation of Requirement	Scope of Work
<i>(1) Costs of buying land such as escrow fees, legal fees, property taxes, right of way costs, demolition, storm drains, rough grading.</i>			
Storm Drains	\$ 100,000	MVS excludes storm drains.	New storm drain system incl. pipe, excavation, culverts & manholes.
Rough Grading	\$ 50,000	MVS excludes rough grading in excess of building pads.	Rough grading and fill materials around the pad.
Deforestation - Tree Clearing	\$ 10,000	Site is totally wooded.	Clear and grub building pad area.
Sediment and Erosion Control	\$ 5,000	Montgomery County requirement to meet NPDES standards.	Sediment and erosion control measures and maintenance.
<i>(2) Pilings or hillside foundations, soil compaction and vibration, terracing.</i>			
Hillside Foundation	\$ 375,000	MVS excludes hillside foundations.	A concrete retaining wall is required around the Central Plant. Wall is approximately 100' x 20' x 12".
<i>(3) Cost of land planning, interest/taxes on land, feasibility studies, CON, environ impact reports, haz mat testing, appraisal and consulting fees.</i>			
Montgomery County Land Use Costs, Including Design	\$ 50,000	MVS excludes cost of land planning. Special Exception, re-platting and add'l site plan approvals are required.	County application fees, design & legal consultants, community outreach, recordation costs.
<i>(4) Financing discounts, funds for operating startup, project bond issues, permanent financing, developmental overhead.</i>			
None of these costs are included in the main building estimate.			
<i>(5) Yard improvements including septic systems, signs, landscaping, paving, walls, yard lighting, pools or other recreational facilities.</i>			
Landscaping	\$ -	MVS excludes site landscaping.	0
Yard Lighting	\$ 5,000	MVS excludes site lighting.	Site lighting fixtures.
<i>(6) Off-site costs including roads, utilities, park fees, jurisdictional hookup, tap-in, impact or entitlement fees and assessments.</i>			
Off-site Costs: Utilities	\$ 750,000	MVS excludes cost of bringing utilities from off-site to the site.	This amount is apportioned from total cost of Pepco bringing 13.2 power to site.
<i>(7) Furnishings and fixtures, usually not found in the general contract, that are particular to a definite tenant.</i>			
	\$ -		
<i>(8) Marketing costs to create first occupancy.</i>			
None of these costs are included in the main building estimate.			
<i>Additional required adjustments.</i>			
1MW Co-Gen Unit.	\$ 2,625,000	Not typical in Central Plants.	MVS valuation - Section 14, Page 41 - \$2,625 per KW.
Design Costs associated with Co-Gen Unit	\$ 157,500	Not typical in Central Plants.	Design costs based on 6% of value.

EXTRAORDINARY ABOVE-MVS COSTS

Washington Adventist Hospital Replacement Project - Central Plant, No Change for ABH 5th floor Fitout

Project Budget Item	Cost	Explanation of Requirement	Scope of Work
Redundant Generator and Associated Electrical Gear	\$ 350,000	MVS includes for Generator for Critical and Life Safety Loads	(1) ea 1500 KW Genset for N+1 state.
Redundant Boiler	\$ 225,000	N+1 is not typical MVS minimum standard.	(1) ea Boiler for N+1 state.
Redundant Chiller	\$ 250,000	N+1 is not typical MVS minimum standard.	(1) ea Chiller for N+1 state.
Redundant Cooling Tower	\$ 175,000	N+1 is not typical MVS minimum standard.	(1) ea Cooling Tower for N+1 state.
Redundant Pumps	\$ 120,000	N+1 is not typical MVS minimum standard.	Redundant Pumps package for N+1 state.
Design Associate with Redundant Systems	\$ 67,200	N+1 is not typical MVS minimum standard.	\$1,120,000 (cost of redundant system) * 6% design factor.
LEED Design	\$ 802,500	MVS Section 99, Page 1	MVS allows up to 7%. Factored at 3% of Project Bldg Costs.
Total Adjustments to Cost	\$ 6,117,200		

		SITE COST	ADJUSTED SITE COST	
SITE ADJUSTMENTS	\$ 920,000	\$ 4,138,000	\$	3,218,000
		BUILDING COST	ADJUSTED BUILDING COST	
BUILDING ADJUSTMENTS	\$ 5,197,200	\$ 16,600,000	\$	11,402,800
	\$ 6,117,200			

EXHIBIT 6

BEHAVIORAL HEALTH AND PHP

Seal

Sheet Identification

LEVEL 001 LOOK FLAIN

JUNE 1, 2010

COI

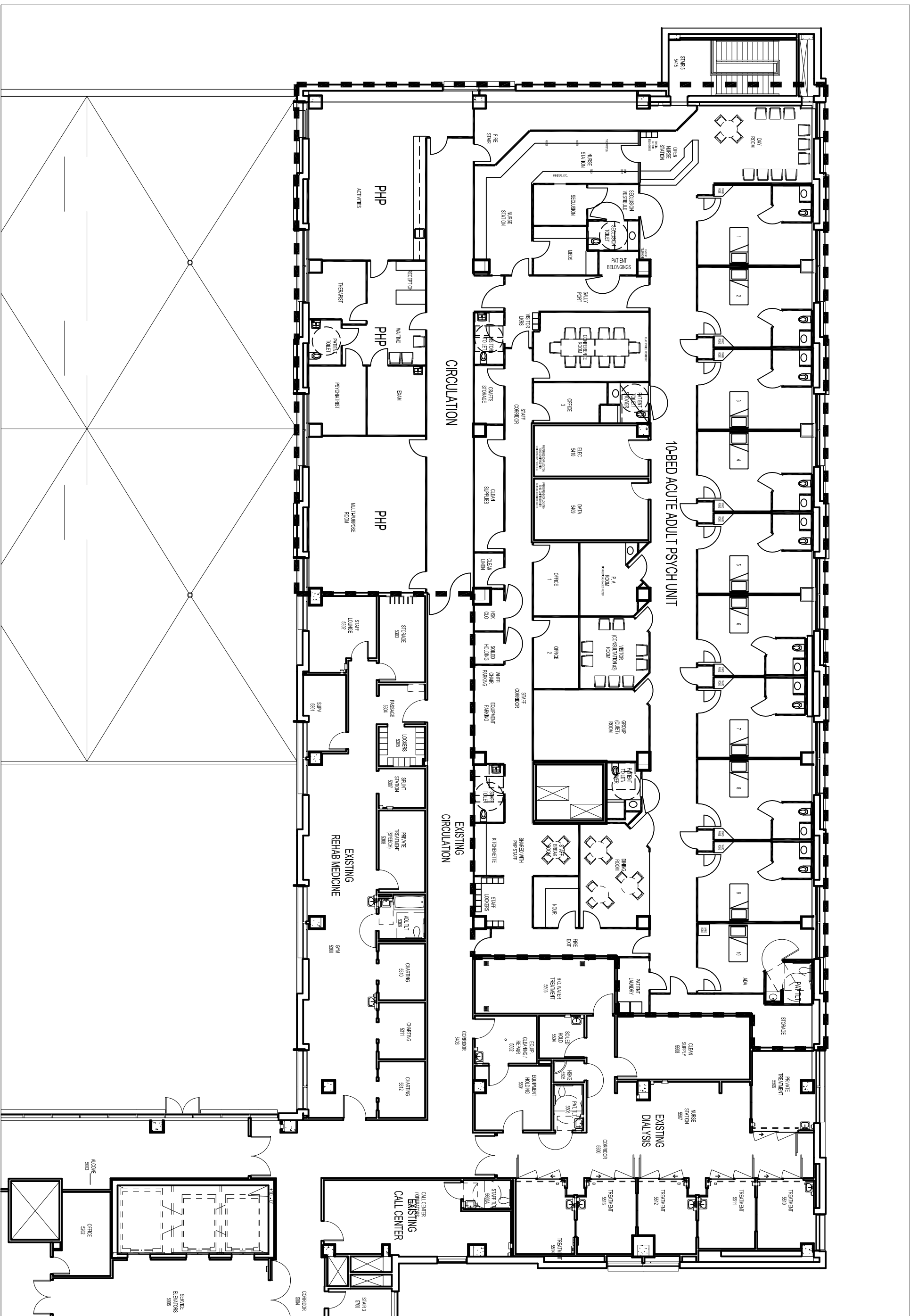


EXHIBIT 7

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this document are true and correct to the best of my knowledge, information and belief.



6/27/18

Daniel L Cochran
Chief Operating Officer and Chief Financial Officer
Shady Grove Medical Center

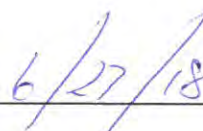
Date

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this document are true and correct to the best of my knowledge, information and belief.



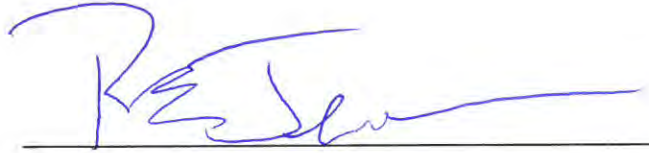
H. Marcel Wright
Vice President, Behavioral Health Services
Adventist HealthCare Shady Grove Medical Center



Date

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this document are true and correct to the best of my knowledge, information and belief.

A handwritten signature in blue ink, appearing to read "RE Jepson", is written above a horizontal line.

Robert E. Jepson
Vice President, Business Development
Washington Adventist Hospital

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this document are true and correct to the best of my knowledge, information and belief.

A handwritten signature in blue ink, appearing to read 'Geoffrey Morgan', is written over a horizontal line.

Geoffrey Morgan
Vice President, Project Executive
Washington Adventist Hospital

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this document are true and correct to the best of my knowledge, information and belief.



6/25/18

Type
Name Kristen Pulido

Date

Type Title Vice President, Revenue Management

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this document are true and correct to the best of my knowledge, information and belief.



Yuesha Chen
Vice President /Chief Financial Officer
Washington Adventist Hospital

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this document are true and correct to the best of my knowledge, information and belief.

A handwritten signature in blue ink, reading "Maureen L. Dymond", is written over a horizontal line.

Maureen L. Dymond
Vice President, Financial Operations
Adventist HealthCare

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this document are true and correct to the best of my knowledge, information and belief.





Linda Beth Berman
Manager, Grants Management Department
Adventist HealthCare, Inc.

Date